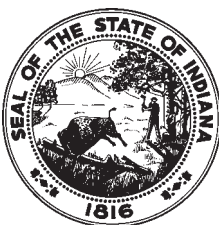


## **Publication 2**

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**Indiana  
Department  
of  
Revenue**



# **Charity Gaming Information**

For use in answering common charity gaming questions.

**T**his publication is intended to give assistance to the general public. Every attempt has been made to provide information that is consistent with the appropriate statutes, rules, and court decisions in place at the time of this publication's printing.

# Indiana Department of Revenue

## Charity Gaming Section Disclaimer

The information in this publication is intended to provide nontechnical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate statutes, rules, and court decisions. Any information which is not consistent with the law, regulations, or court decisions is not binding on either the Department or the taxpayer. Some information contained herein is continuing Department policy and the Department's inherent interpretation of new or existing legislation. It is all related to legislative or administrative code. Therefore, the information provided herein should serve only as a foundation for further investigation and study of the current law and procedures related to the subject matter.

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# Definitions

## *Is Charity Gaming Legal?*

Yes, under certain circumstances charity gaming is legal in Indiana. The Department regulates and enforces charity gaming activities. Only qualified tax exempt organizations may conduct charitable gaming events in Indiana. These gaming events are limited to bingo, raffles, door prizes, a charity game night, a festival event, and the sale of pull-tabs, punchboards, or tip boards. You may need to be licensed for each type of gaming event you want to conduct.

It is very important that your activities are within the scope of the law. All legislative and administrative rules and regulations apply to both licensed and non-licensed charity gaming activities. Understanding the provisions of the law ensures your privilege to conduct games for charity and will prevent you from being subject to civil penalties and additional taxes.

The following **checklist** summarizes your responsibilities:

- You must be qualified and approved by the Indiana Department of Revenue.
- You must apply for and post a valid license for each type of event.
- You must stay within the game and prize limitations.
- Your operators and workers at these events must meet certain guidelines.
- You must conduct your games within the county where your organization is located (except an annual convention or other yearly meeting of your membership).
- All charity gaming license applications must be signed by two officers of the organization who must reside in the county where the gaming event will be held.
- The proceeds from charity games must be used for the purpose the organization's exemption was granted.
- You must maintain separate accounting records and make the appropriate financial reports.
- If 90 percent or more of your organization's gross receipts are from charity gaming (less prize payouts) you must donate at least 60 percent of your gaming income (less prize payouts) to other qualified organizations.
- You must purchase bingo supplies, devices, or equipment, and also pull-

tabs, punchboards, and tip boards from a distributor or manufacturer licensed by the Department.

### ***Which Organizations Qualify?***

Your organization may conduct legal gaming events if it is a bona fide religious, educational, senior citizen, veteran, or civic/fraternal/charitable organization operating in Indiana and is exempt from taxation under Section 501 of the Internal Revenue Code.

The tax exempt organizations that are eligible to engage in Indiana charity gaming activities are defined in Indiana Code 4-32-1. A brief description of these organizations follows.

#### **Bona Fide Civic Organization**

A branch, lodge or chapter of a national organization or state organization, or a local organization, that is a nonprofit organization and is primarily operated for civic, fraternal or charitable purposes.

#### **Bona Fide Educational Organization**

An organization that is nonprofit and whose primary purpose is educational in nature, and is designed to develop the capabilities of individuals by instruction in public or private elementary and secondary schools and colleges and universities.

#### **Bona Fide Political Organization**

A party, committee, association, fund, or other organization organized and operated for directly or indirectly accepting contributions and making expenditures for an exempt purpose (as defined in Sec. 527 of the Internal Revenue Code). These organizations are the Democratic Party, the Republican Party, an independent party, etc. Note: A political candidate's committee is not a political organization by this definition.

#### **Bona Fide Religious Organization**

An organization, church, or body of communicants that is nonprofit and operated primarily for religious purposes. The organization must operate under Sec. 501 of the Internal Revenue Code and provide written documentation of such.

#### **Bona Fide Senior Citizen's Organization**

An organization that is nonprofit and has at least 15 members who are at least 60 years old. The purpose of the organization is to support and advance the causes of the elderly or retired persons.

#### **Bona Fide Business Organization**

A local organization of persons having some common business interest; the purpose of which is to promote the common interest and not engaged in regular business normally carried on for profit, under Section 501 of the Internal Revenue Code.

**Bona Fide Veteran's Organization**

A local organization or a branch, lodge, or chapter of a state or national organization chartered by the United States Congress and is a nonprofit organization. The members of the organization are or were members of the United States armed forces. The purpose of the organization is for the mutual support and advancement of the organization's membership and patriotic causes.

**Additional Information, Including Parent Organization Affiliation**

All organizations that meet one of the preceding requirements must also have been in active, continuous existence for at least five years or be affiliated with a parent organization that is organized in Indiana and has been in existence and operating for at least five years (also see *Exception: Affiliated with Nationally Recognized Charitable Organization* below).

Generally, charity gaming events may only be conducted in the county where the Indiana principal office is located; however, a charity gaming event may also be held in an Indiana county where a qualified organization or its affiliate is having a convention or other annual meeting of its membership. Proof of convention or annual meeting of membership must be included with the gaming event license request. This could include a copy of the convention brochure, registration form, convention agenda, hosting hotel's lease and catering agreements, etc. See Form CG-1, Qualification Application, for additional information.

**Exception:** If your organization is affiliated with a nationally recognized charitable organization, the Department policy is that the organization must:

- Possess a determination letter or a ruling from the Internal Revenue Service (IRS) stating that the organization is currently exempt from taxation under 26 U.S.C. 501, or is listed in IRS Publication 78 (Cumulative List of Organizations);
- Be organized primarily for charitable purposes;
- Have a current exempt status with the Department;
- Be incorporated or legally authorized to do business in at least three states, including Indiana;
- Have been in existence<sup>1</sup> and continuously incorporated or legally authorized to do business for at least 25 years as a charitable organization in each of at least three states, including Indiana;
- Have a national membership of at least 5,000 people; and

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<sup>1</sup> 'Existence' means the organization actively and demonstratively supports its stated purpose or mission in addition to any actual corporate existence, including maintaining its adjusted gross income tax exemption (under I.C. 6-3-2) and being current in all tax filings.

- Serve a majority of counties in Indiana by doing the following:
  - (1) Maintain an office with a mailing address, which is open for business during posted business hours, and
  - (2) Directly assist selected individuals or conduct other charitable activity.

Both of these services must be continuously available and ongoing in at least 47 Indiana counties.

#### **Affiliate Defined**

An affiliate is any person or organization that:

- Directly controls your organization;
- Indirectly controls your organization;
- Is directly controlled by your organization;
- Is indirectly controlled by your organization;
- Is under the same common control as your organization;
- Has any ownership interest in your organization; or
- Shares with your organization a common board, directors, or officer.

Also, see Additional Information, Including Parent Organization Affiliation on page 6.

**Note:** Any hospital licensed under I.C. 16-21, a health facility licensed under I.C. 16-28, or a psychiatric facility licensed under I.C. 12-25 may conduct charitable gaming events only under certain circumstances. See When No License Is Required on page 11.

Also, being exempt from taxation under Section 501 of the I.R.C. does not ensure that your organization is eligible to conduct legal gaming events. Some types of organizations that **do not** qualify are federal credit unions, pension trusts, and, generally, those organized primarily for social, scientific, or literary purposes.

#### **Tangible Personal Property Defined**

Any personal property (equipment) used to conduct a charity gaming event. Equipment that is considered under this definition would be, but is not limited to, bingo machines, blowers, tables, chairs, raffle drums, poker or black jack tables, roulette wheels. The lease or rental of any tangible personal property is limited to \$50 per event/day.

**Qualified Personal Property Defined**

Any personal property leased by a qualified organization that is designed to be **used on a body of water** to conduct a raffle associated with the qualified organizations allowable raffle event. The lease or rental of qualified personal property has no limit on the amount that may be paid. The amount paid for leased qualified personal property may not be based in whole or in part to the revenue generated from the event.

***What Are Legal Gaming Activities?***

Qualified tax exempt organizations may conduct certain types of legal gaming activities in the State of Indiana.

These activities include bingo, raffles, door prizes, a charity game night and a festival event as well as the sale of pull-tabs, punchboards, and tip boards at these events. *Individuals participating in licensed events must be at least 18 years old* (except for raffles; see Children Under 18 and Gaming on page 40). Definitions for most of these activities begin below. (See Types of Licenses Available for definitions of Charity Game Night on page 19 and Festival on page 29.)

**Bingo**

A bingo game is played with regulation bingo cards, sheets, or pads. A player covers the numbers called out by the announcer. The winner of each game is the player who is the first to properly cover the announced pattern of squares on the card.

**Raffle**

A raffle is a game where one or more persons buys a raffle ticket to win prizes. Winners are determined by drawing a ticket stub out of a container that holds the ticket stubs of all the tickets sold for the raffle. Sporting events may not be used in any way to determine a raffle winner.

A "calendar" raffle involves multiple days on which random drawings will occur to determine the winners. Gaming participants will purchase tickets for a chance to win. (See page 25 for more information).

A "water" raffle involves the selling of floating devices to be used on a body of water. The winner is determined by the number on the floating device that crosses the finish line first. (See page 24 for more information.)

**Door Prize**

A door prize is a prize awarded to a person based solely upon the person's attendance at an event or the purchase of a ticket to *attend* an event. This differs from a raffle event because the gaming participants in a door prize event will *not* purchase a separate chance (ticket) to win.

An "Annual Door Prize" involves multiple days on which random drawings will



occur to determine the winners. Gaming participants will not purchase a ticket to win. See page 26 for more information.

### **Pull-Tab**<sup>2</sup>

A pull-tab is a single folded, banded ticket, or two-ply card with a perforated break-open tab that has a hidden symbol that determines the winner. The prize must be fully described on the inside of the ticket.

### **Punchboard**<sup>2</sup>

A punchboard is a card or board that contains a grid or sections that hide the random opportunity to win a prize based on the results of punching a single section to reveal a symbol or prize amount.

### **Tip Board**<sup>2</sup>

A tip board is a board, a placard, or other device marked off in a grid or column, with each section containing a hidden symbol or number that determines a winner.

### **Other Games**

Other types of games that may be licensed include cards, dice, wheel games (roulette) and spindles (wheel of fortune type games). For more information regarding these gaming events, see [Charity Game Night License](#) on page 19.

### **Midway-Style Games and Games of Skill**

The games described previously are monitored by the State of Indiana. *Midway-style games and games of skill are not regulated by the charity gaming law.* Examples of these types of games are:

- Cranes - win what the crane lifts
- Games of skill - darts, basketball, watergun races, coin plate or ring toss, golfing, target shooting, etc.

These games do not require any type of licensing or notification from the Charity Gaming Section of the Department.

### **Auctions**

Auctions (silent or live) are the sale of items to the highest bidder. They are not regulated by charity gaming law and do not require any type of gaming license from the Department.

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<sup>2</sup> See **Pull-Tabs, Punchboards, and Tip Boards: Licensing Requirements and Definitions** beginning on page 33 for more information.

# About the Licenses

## ***First Time Applicants Must File Form CG-1***

To conduct any type of charity gaming, your organization must first be qualified with the Charity Gaming Section of the Department. To do this, you must:

- 1) Complete Form CG-1, Charity Gaming Annual Qualification Application;
- 2) Attach a copy of your bylaws or articles of incorporation (if applicable), your federal tax exempt status letter and documentation to show five years existence;
- 3) Mail all documents to the Department.

This Form CG-1, which requires no fee, has been designed to obtain relevant information about your organization and will be reviewed to determine if your organization is qualified to conduct charity gaming events. A letter will be sent to you once your organization has been approved.

If you have not filed Form CG-1 and are seeking a particular gaming license, send in a Form CG-1 and a completed license application at the same time. See [What Do I Do After I File Form CG-1?](#) below for more information.

Form CG-1 will be filed by your organization only once. If any changes (such as new officers) are needed, *it is your responsibility to forward this information to the Charity Gaming Section.*

Once your organization has been approved, you may need to obtain a license for a particular event. Under certain circumstances a license may not be required. Read [When No License is Required](#) on the next page to see if your gaming events are exempt from licensing requirements.

## ***What Do I Do After I File Form CG-1?***

If your games exceed the prize limitations discussed on page 11, [When No License Is Required](#), you must complete a separate license application for each type of gaming event you want to conduct. The applications are due at least eight weeks<sup>3</sup> before your scheduled event. This will allow the Department time to process your application(s) and mail the license(s) to you.

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<sup>3</sup> The first annual bingo license can take up to 120 days to process.

There are nine different types of licenses available. They are:

- Annual Bingo License
- Special Bingo License
- Charity Game Night License
- Raffle License
- Water Raffle License
- Calendar Raffle License
- Annual Door Prize License
- Door Prize License
- Festival License

Each type of license allows your organization to conduct a limited number of gaming events with certain prize limitations. There are also restrictions on how often you may receive each type of license during the year. The [Types of Licenses Available](#) section, beginning on page 14, will explain the rules and regulations that apply to each type of license.

See [When No License Is Required](#) below to find out what to do in the event no license is required.

### ***When No License Is Required***

A qualified organization, hospital, health facility, or psychiatric facility, as described on page 5, will not be required to get a charity gaming license if all of the following criteria are met:

- They have an approved Form CG-1 on file;
- They want to conduct a bingo event, charity game night, raffle event, or door prize event;
- The total value of all prizes awarded at the event (including the sale of pull-tabs, punchboards, and tip boards sold at the event) is not more than \$1,000 for a single event *and* not more than \$3,000 total for all non-licensed events during a calendar year; and
- The organization registers with the Department at least four weeks before the event.

**Note:** The value of prizes is the retail (purchase) price of the item(s) given as the prize when the prize is not money. This applies regardless of whether the prize is purchased or donated for the event. If the prize given is money, then the value of the prize is the sum of money regardless of any losses by the player. See [How to Register for Nonlicensed Events](#) below for details.

**Question:** *We want to raffle off a donated handmade quilt. How do we figure the*

*value of the quilt?*

**Answer:** Try checking with your local flea markets and stores, catalogs, etc., to see what comparable quilts are being sold for.

Organizations that conduct events that are not required to be licensed must maintain accurate records of all financial transactions of the gaming event. A brief financial statement will be required to be completed at year's end and kept with your records.

**Note:** A qualified organization licensed by the Hoosier Lottery to purchase Hoosier Lottery pull-tabs is not required to get a charitable gaming license in order to sell the Hoosier Lottery pull-tabs.

### **How to Register for Nonlicensed Events**

In order to conduct a gaming event without a license, your organization must register with the Department at least four weeks *before* the event by filing Form CG-AEL, Application for Exemption Letter for Nonlicensed Event. The following information must be supplied with this application:

- Name of your organization;
- Location and date of your gaming event (if using a leased or donated facility you must attach a copy of the lease or a notarized donation statement);
- Type of event to be held (bingo, charity game night, raffle or door prize);
- The name, social security number, date of birth, address, years of membership, and telephone number of the event's operator(s);
- Total value of all prizes to be awarded at the nonlicensed event; and
- A breakdown of the total prize amounts actually awarded at all nonlicensed events held before this one during the same calendar year, and the dates of those events.

A validated copy of the Form CG-AEL, Application for Exemption Letter for Nonlicensed Event, must be posted at the non-licensed event.

**Important:** If the qualified organization plans to hold a nonlicensed bingo event more than once a year it must provide the following information to the Department four weeks before the first bingo event of the year.

- The estimated number of planned bingo events for the calendar year;
- The location(s) where the bingo events will be held;
- The estimated amount of revenue expected from each bingo event; and

- The name, social security number, date of birth, address, years of membership, and telephone number of the event's operator(s).

Organizations who conduct events that are not required to be licensed must maintain accurate records of all financial transactions of the gaming event. A brief financial statement will be required to be completed at year's end.

**Question:** *We want to raffle off a TV worth \$600. Do we need a license?*

**Answer:** No license will be required if you have an approved Form CG-1 on file, you haven't exceeded the \$3,000 maximum prize total for the year, and you file Form CG-AEL, Application for Exemption Letter for Nonlicensed Event, with the Department at least four weeks before the event. Remember, a validated copy of Form CG-AEL must be posted at your event.

**Question:** *We've already held two nonlicensed events this year:*

- *A bingo event, where the total prizes were \$1,000; and*
- *A raffle event, where the total prizes were \$1,000.*

*Is there a limit on the number of nonlicensed events we can hold this year?*

**Answer:** Yes. Your organization can only award up to \$3,000 for the whole year at nonlicensed gaming events. Since you've already awarded \$2,000, you can award no more than \$1,000 at any other nonlicensed event(s) you want to hold during the rest of the year.

**Question:** *We've held one nonlicensed bingo event and two nonlicensed raffle events and have given away \$3,000 in prizes so far this year. Do we have to get a license for the raffle we plan to hold next month?*

**Answer:** Yes. Since you have already reached the \$3,000 maximum amount that can be awarded in prizes each calendar year without being required to have a gaming license, you'll have to be licensed for any additional gaming events for the remainder of the year.

**Question:** *Will we be allowed to have a nonlicensed raffle and bingo event on the same day if the prize totals are under \$1,000 for each event?*

**Answer:** No. Only one gaming event may be held each day, regardless of whether or not a license is required. See When Events May Be Held on page 43.

**Question:** *We want to hold a nonlicensed charity game night event, playing cards, dice games, spindle games and roulette. Do we need a license if we keep the prize total under \$1,000?*

**Answer:** No. You will not be required to have a license if you have an approved Form CG-1 on file, you haven't exceeded the \$3,000 maximum prize total for the year, you file Form CG-AEL with the Department at least four weeks before the event, and you have held no more than three other charity game night events

during the year. (See [Limitations on When You can Conduct these Events](#) on page 21 for more details.) A validated copy of Form CG-AEL must be posted at your event.

### ***Types of Licenses Available***

#### **Annual Bingo License**

There are two different types of bingo event licenses. The first is called an annual bingo license and is available for those organizations that conduct bingo events throughout the year. The second bingo license is a special bingo license which is described on page 16.

**Note:** See **Additional Bingo Definitions** on page 18 for definitions of bingo: cards, paper, concealed face cards, equipment and supplies.

An [annual bingo license](#) allows the following games to be played:

- Multiple bingo events
- Door prize drawings
- The sale of pull-tabs, punchboards and tip boards

A bingo event means you may conduct bingo games and door prize drawings within certain limitations. Some of these limitations are explained below. Also, read the section [When Events May Be Held](#) on page 43 of this publication.

**Note:** An annual bingo license may not be required if the value of the prizes awarded at each event is not more than \$1,000 and not more than \$3,000 is awarded during the calendar year for all nonlicensed gaming events. See [When No License Is Required](#) on page 11 for further details.

#### **Prize Limitations**

The value of prizes is the retail (purchase) price of the item(s) given as the prize when the prize is not money. This applies regardless of whether the prize is purchased or donated for the event. If the prize given is money, then the value of the prize is the sum of money regardless of any losses by the player.

- The prize for one bingo game may not be more than \$1,000.
- The total prizes of all bingo games played at one bingo event may not be more than \$6,000.
- By getting special permission from the Department you may conduct two bingo events during a calendar year where the total prizes for the bingo event may not be more than \$10,000. (See [Special Permission](#) on page 34).
- The total value of all door prizes at a single bingo event may not be more than \$1,500.

- The selling price of one ticket for a pull-tab, punchboard, or tip board may not be more than \$1.00.
- A single prize awarded for one winning ticket in a pull-tab, punchboard, or tip board game may not be more than \$599.
- The total prize awarded for one pull-tab, punchboard, or tip board game may not be more than \$5,000.
- By getting special permission from the Department you may hold a raffle drawing at a bingo event once a year. To do this, you must have a raffle license for the same date as the bingo event. The prize limitation on the raffle drawing is \$5,000. This limitation may be increased up to \$25,000 only once a year. (See Multiple Licenses on page 35).

#### **Information About the License**

- The annual bingo event must be held at the address shown on the annual bingo license.
- The initial fee for an annual bingo license is \$25. The fee for each subsequent annual bingo license will be based on the gross receipts from the previous annual bingo license.
- There are prize limitations on bingo events. See prize limitations previously listed.
- The license does allow for the sale of pull-tabs, punchboards, or tip boards or for conducting door prize drawings.
- Having an annual bingo license will prohibit an organization from having another charity gaming license and conducting other gaming events at the same location on the same day.

#### **Using the License**

This license is used by organizations who play bingo regularly throughout the year.

**Question:** *My organization owns its own building and plans to hold bingo every Monday, Friday and Saturday all year long. Do I need this license?*

**Answer:** Yes. You may play bingo for the three days a week listed on your annual bingo license. This is the only license that will allow you to hold bingo games all year long.

**Question:** *My organization plays bingo on the first and third Saturdays of each month. Do we need this license?*

**Answer:** Yes. The annual bingo license is valid for the entire year, your organization should get this license. It will allow you to legally hold bingo on those Saturdays.

**Question:** *We just want to sell pull-tabs all year. Is this the right license to get?*

**Answer:** Yes. If you do not want to play bingo just check the box on line 4 on your Form CG-2, Annual Bingo License Application, or line 5 on your Form CG-2R, Annual Bingo Renewal Application. This will allow you to sell pull-tabs, punchboards, and tip boards all year at your regular meeting hall.

### **Limitation on When You Can Conduct These Events**

You may conduct up to three allowable events during a calendar week (Sunday through Saturday). Of these three days, only two days may be consecutive. For example, your organization may conduct bingo events on Wednesday, Friday, and Saturday.

Not more than one qualified organization may conduct an allowable event on the same day at the same location. In other words, you may not combine efforts with another organization and share the profits of a single bingo event.

This license must be renewed each year. To do this, you must complete an Annual Bingo License Application. (See Licenses Fees on page 36).

## **Special Bingo License**

The second type of bingo license is a special bingo license. This license is usually used by those organizations who want to hold bingo events occasionally (not weekly) throughout the year. This license is good for only one time and location. This license may also be used by annual bingo license holders who want to conduct a bingo event on a day that is not listed on their annual license. For example, your organization's annual bingo license lists Tuesday and Thursday as the days of the week you are scheduled to conduct bingo. If you want to hold a bingo event on Labor Day (Monday), you will need to get a special bingo license for that particular day.

A special bingo license allows the following games to be played:

- One bingo event
- Door prize drawings
- The sale of pull-tabs, punchboards and tip boards

A bingo event means you may conduct bingo games and door prize drawings within certain limitations. Some of these limitations are explained in the following section. Also, read the section When Events May Be Held on page 43 of this publication.

**Note:** A special bingo license may not be required if the value of the prizes awarded at the event is not more than \$1,000 and not more than \$3,000 is awarded during the calendar year for all nonlicensed gaming events. See When No License Is Required on page 11 for further details.

### **Prize Limitations**

The value of prizes is the retail (purchase) price of the item(s) given as the prize



when the prize is not money. This applies regardless of whether the prize is purchased or donated for the event. If the prize given is money, then the value of the prize is the sum of money regardless of any losses by the player.

- The prize for one bingo game may not be more than \$1,000.
- The total prizes of all bingo games played at one bingo event may not be more than \$6,000.
- By getting special permission from the Department you may conduct two bingo events a year where the total prizes for the bingo event may not be more than \$10,000. (See Special Permission on page 34).
- The total value of all door prizes at a single bingo event may not be more than \$1,500.
- The selling price of one ticket for a pull-tab, punchboard, or tip board may not be more than \$1.00.
- A single prize awarded for one winning ticket in a pull-tab, punchboard, or tip board game may not be more than \$599.
- The total prizes awarded for one pull-tab, punchboard, or tip board game may not be more than \$5,000.
- By getting special permission from the Department you may hold a raffle drawing at a bingo event once a year. To do this, you must have a raffle license for the same date as the bingo event. The prize limitation on the raffle drawing is \$5,000. This limitation may be increased up to \$25,000 only once a year. (See Multiple Licenses on page 35).

### **Information About the License**

- The bingo event must be held at the address shown on the special bingo license.
- The initial fee for a special bingo license is \$25. The fee for each subsequent special bingo license will be based on the gross receipts from the previous special bingo license.
- There are prize limitations on special bingo events. See prize limitations above.
- The license does allow for the sale of pull-tabs, punchboards, or tip boards or for conducting door prize drawings.
- Having a special bingo license may prohibit an organization from having another charity gaming license and conducting other gaming events at the same location on the same day. See special permission previously listed.

### **Using the License**

This license is for organizations that want to play bingo only a few times during the year.

**Question:** *My organization plans to hold one bingo night this year. Do I need this license?*

**Answer:** Probably. If the total prizes to be awarded are more than \$1,000, or you've held nonlicensed gaming events through the year and awarded \$3,000 in prizes, then this is the license to get. This license will allow you to play bingo on the one night that you choose.

**Question:** *My organization plays bingo on Saturdays every so often. Do we need this license?*

**Answer:** Yes. The Special Bingo License Application must be filed at least eight weeks before your Saturday bingo game and is only valid for that one day. Again, if the total prizes to be awarded are more than \$1,000, or you've held nonlicensed gaming events through the year and awarded \$3,000 in prizes, then this is the license to get.

#### **Limitations on When You Can Conduct These Events**

Because this special bingo license is only valid for a specific date and location, you must apply for a separate license at least eight weeks prior to your event for each special bingo event you wish to hold. (See License Fees on page 36).

Not more than one qualified organization may conduct an allowable event on the same day at the same location. In other words, you may not combine efforts with another organization and share the profits of a single bingo event.

### **Additional Bingo Definitions**

**"Bingo card" and "bingo paper"** means permeations of letter and number combinations printed on reusable or nonreusable card or paper stock containing five rows of five squares, each imprinted with randomly placed numbers, 1 through 75, except for the center square that may be a free space, and a set of designators, similarly numbered, that are contained in a selection device. The letters "B-I-N-G-O" must also be imprinted, in order, above each of the five columns. A serial number must be printed on each item manufactured and sold.

***As a member of NAGRA, the Department adheres to the NAGRA standards on the following bingo paraphernalia:***

**"Concealed face bingo card"** means a nonreusable bingo card constructed to conceal the face of the card. This type of card is commonly referred to under trade names, including, but not limited to, the following:

- 1) Tear-Open
- 2) Bonanza Bingo
- 3) Bull's-Eye
- 4) Fortune Cards

A serial number must be printed on each item manufactured and sold.

**"Bingo equipment"** means all paraphernalia used to conduct the game, including the following:

- 1) Random number selection equipment
- 2) Designators, such as bingo balls
- 3) Designator receptacles
- 4) Number display boards
- 5) Dispensing devices

The term does not include audio or video equipment, which plays no part in the conduct of the games other than communicating the progress of the game. The term does not include any computer or other technological aid, which is either of the following:

- A device that uses electronic or electromagnetic media to assist a player by projecting the outcome of the game, keeping track of the number and letter combinations called in bingo, analyzing the probability of the occurrence of an event relating to the bingo, or analyzing the strategy for playing bingo; or
- A device, such as a computer, telephone, cable, television, satellite, the Internet, or device that broadcasts the playing of a game or links gaming events.

***It is the Department's policy that "bingo supplies" also includes the following:***

**"Bingo supplies"** means:

- 1) bingo paper;
- 2) bingo cards;
- 3) concealed face bingo cards;
- 4) daubers; or
- 5) other devices designed to cover squares on bingo card or bingo paper.

### **Charity Game Night License**

Charity game nights are commonly called "Texas Hold 'Em," "Las Vegas Nights," or "Casino Nights".

A charity game night license allows the following games to be played:

- Card games
- Dice games
- Roulette wheel games
- Spindle games
- Door prize drawings
- The sales of pull-tabs, punchboards and tip boards

This means you may conduct card, dice and wheel games and door prize drawings within certain limitations. Some of these limitations are explained below. Also, read the section When Events May Be Held on page 43 of this publication.

Wagers placed on a card game, dice game, roulette wheel or spindle game **must** be made using imitation money, e.g., poker chips, tokens, etc.

**Important:** Only imitation money can be used at gaming tables. Your organization **must** maintain *cash-in* and *cash-out* booths. These booths are required because your organization must report gross income from all gaming events; maintaining these booths is the only way to track gross income and payouts.

The wagering on bookmaking, slot machines, a one-ball machine, a pinball machine that awards anything other than an immediate and unrecorded right of replay, a policy or number game, or a banking and percentage game played with cards or counters are not included in these legal gaming events.

**Note:** A charity game night license may not be required if the value of the prizes awarded at each event is not more than \$1,000, and not more than \$3,000 is awarded during the calendar year for all non-licensed gaming events. (See When No License Is Required on page 11 for further details).

### **Prize Limitations**

The value of prizes is the retail (purchase) price of the item(s) given as the prize when the prize is not money. This applies regardless of whether the prize is purchased or donated for the event. If the prize given is money, then the value of the prize is the sum of money regardless of any losses, including wagers, by the player. A wager is the risk of money or other property for gain, based in whole or in part on chance. A wager does not include participating in a contest of skill, speed, strength, or endurance in which awards are made only to those participating in those activities.

- The total value of all door prizes may not be more than \$1,500.
- The selling price of one ticket for a pull-tab, punchboard, or tip board may not be more than \$1.00.
- A single prize awarded for one winning ticket in a pull-tab, punchboard, or tip board game may not be more than \$599.
- The total prizes awarded for one pull-tab, punchboard, or tip board game may not be more than \$5,000.
- There are no prize limitations on dice, card, or wheel games conducted at a charity game night event.

- By getting authorized special permission from the Department you may hold a raffle drawing at a charity game night once a year. To do this, you must have a raffle license for the same date as the charity game night event. The prize limitation on the raffle drawing is \$5,000. This limitation may be increased up to \$25,000 only once a year. (See Special Permission and Multiple Licenses on pages 34 and 35).

### **Information About the License**

- The charity game night event must be held at the address shown on the charity game night license.
- The initial fee for a charity game night license is \$25. The fee for each subsequent charity game night will be based on the gross receipts from the previous charity game night.
- There are prize limitations on charity game nights. See prize limitations previously listed.
- The license does allow for the sale of pull-tabs, punchboards, or tip boards or for conducting door prize drawings.
- Having a charity game night license may prohibit an organization from having another charity gaming license and conducting other gaming events at the same location on the same day. See special permission previously listed.

### **Using the License**

This license is for organizations who would like to play games that combine strategy as well as chance, and includes cards, dice, wheel, etc.

**Question:** *My organization would like to raise money by sponsoring a Euchre Tournament. There is a five-dollar entry fee for each participant and the winner will receive \$50. Do I need this license?*

**Answer:** Probably not. See the details on page 11 concerning When No License Is Required.

### **Limitations on When You Can Conduct These Events**

You may hold up to four charity game nights a year (see the *Exception* on the following page). This includes the total of charity game night events conducted under all charity game night licenses, festival licenses, and nonlicensed events held during the year. The number of charity game night events you hold will limit the number of days you may conduct a festival. For additional information see Limitations on When You can Conduct these Events under Festival License on page 31.

Because a charity game night license is valid for a specific date and location, you must apply for a separate license for each charity game night you wish to hold. (See the License Fees area on page 36).

Not more than one qualified organization may conduct an allowable event on the same day at the same location. In other words, you may not combine efforts with another organization and share the profits of a single charity game night event.

**Exception:** A bona fide civic organization (as defined on page 5) is allowed to hold one additional charity gaming event (a charity game night or festival event) during *each* six months of a calendar year. This exception means that if four charity game night events and one festival event have been used during the first six months of the year, a civic organization will be able to hold one additional charity game night or one additional festival event in the last six months of the calendar year.

For example, if an organization has used all four charity game nights during the first six months, they would be eligible to have one additional charity game night during that same six months, and an additional charity game night during the second six months. However, the civic organization may instead choose to conduct a festival event as their additional event for a particular six months.

**Question:** *My civic organization held two charity game night events during the first six months of the year. It is now October. How many more can we hold this year?*

**Answer:** You can hold up to three more charity game night events between July 1 and December 31 (four regular charity game night events for the year plus one additional for the second six months of the year). Keep in mind each event applied for requires eight weeks for processing.

**Question:** *My civic organization wants to hold its fifth charity game night event the second Tuesday of next month. We play bingo with an annual bingo license on Monday and Wednesday nights. Can we get this license?*

**Answer:** Yes, as long as you give up playing bingo on one of the regularly scheduled nights. Remember, organizations can hold gaming events up to three days a week, with only two of those days being consecutive. Being able to hold additional events each six months does not change those limitations. (See Multiple Gaming Events: Cutting Back Your Regular Gaming Days on page 44 for further details).

**Caution:** Be sure to read the Limitations on When You Can Conduct These Events under Festival License on page 31.

## Raffle License

A raffle license is needed when organizations hold raffle drawings as fund-raising events.

A raffle license allows the following games to be played:

- Raffle drawings
- Door prize drawings
- The sale of pull-tabs, punchboards and tip boards

This means you may conduct raffles, door prize drawings, and the selling of pull-tabs, punchboards and tip boards within certain limitations at the licensed event. Some of these limitations are explained below. Also, read the section When Events May Be Held on page 43 of this publication.

The raffle drawings, door prize drawings, and sales of pull-tabs, punchboards and tip boards must be held in the county where the principal office of the qualified organization is located (also see Additional Information, Including Parent Organization Affiliation on page 6 if holding a convention or annual meeting of your membership).

**Note:** A raffle license may not be required if the value of the prizes awarded at each event is not more than \$1,000, and not more than \$3,000 is awarded during the calendar year for all nonlicensed gaming events. (See When No License Is Required on page 11 for further details).

### **Prize Limitations**

The value of prizes is the retail (purchase) price of the item(s) given as the prize when the prize is not money. This applies regardless of whether the prize is purchased or donated for the event. If the prize given is money, then the value of the prize is the sum of money regardless of any losses by the player.

- The total value of all door prizes at a raffle event may not be more than \$1,500.
- The selling price of one ticket for a pull-tab, punchboard, or tip board may not be more than \$1.00.
- A single prize awarded for one winning ticket in a pull-tab, punchboard, or tip board game may not be more than \$599.
- The total prizes awarded for one pull-tab, punchboard, or tip board game may not be more than \$5,000.
- There are no prize limitations on raffle drawings conducted at a raffle event.
- By getting special permission from the Department you may conduct a raffle drawing at other allowable events. (See Multiple Licenses on page 35).

### **Information About the License**

- The drawing must be held at the address shown on the raffle license.
- The initial fee for a raffle license is \$25. The fee for each subsequent raffle license will be based on the gross receipts from the previous raffle license.
- There are no prize limitations on raffle drawings.
- The license does allow for the sale of pull-tabs, punchboards, or tip boards or for conducting door prize drawings.
- Having a raffle license may not prohibit an organization from having another charity gaming license and conducting other gaming events at the same location on the same day. See special permission previously listed.



**Using the License**

This license is available to organizations who want to raffle prizes as fund-raising events.

**Question:** *My organization will be raffling off a car on July 10. We would like to start selling the tickets in March. Can we do this?*

**Answer:** Yes. The raffle license allows you to draw and announce the winners on the date shown on the license. You may sell the tickets for the event as far in advance as you like. However, you *must* have a license in hand before you can advertise for your event or conduct the actual drawing. (See Publicity Before and During the Games on page 45).

**Note:** *Because delays can occur when trying to get licensed for an event, we strongly urge you to have a valid license in hand before starting ticket sales.*

**Question:** *My organization is an elementary school. We would like to have the students sell raffle tickets for a trip. Will a raffle license allow us to do this?*

**Answer:** Yes. A child who is less than 18 years of age may sell raffle tickets. This license will allow you to conduct your event.

**Question:** *My organization raffles off teddy bears made by our members. Do I need this license?*

**Answer:** Probably not. Remember, organizations who are raffling away prizes worth less than \$1,000 are not required to be licensed (unless they've already reached the \$3,000 annual limitation). However, don't forget to send a completed form CG-AEL to the Department, at least four weeks prior to the drawing, telling us when you will be conducting these events and make sure you have an approved Form CG-1 on file.

**Limitations on When and Where You Can Conduct These Events**

Because a raffle license is valid for a specific date and location, you must apply for a separate license for each raffle event you wish to hold. (See License Fees on page 36).

Not more than one qualified organization may conduct an allowable event on the same day at the same location. In other words, you may not combine efforts with another organization and share the profits of a single event.

**Water Raffles**

A water raffle license is needed when organizations hold a water raffle as a fundraising event.



A water raffle license allows the following games to be played:

■ Water raffle drawings

This means you may conduct water raffle drawings within certain limitations. Some of these limitations are explained below. Also, read the section When Events May Be Held on page 43 of this publication.

Organizations may be licensed to conduct a "water raffle." This license allows an organization to sell floating devices to be used on a body of water. The floating device is marked with a number corresponding to the number on the raffle ticket purchased by the participant. The winner shall be determined by the number on the floating device that crosses the finish line first.

As with other raffles, all drawings must occur within a specified eight hour period. The license application (form CG-3) must be completed and submitted to the Department at least eight weeks prior to the drawing date. The water raffle event must take place in the same county where the organization is housed (maintained).

**"Qualified personal property"** refers to any floating devices to be utilized in a water raffle. There is no limit to how much an organization may pay for the rental of floating devices (qualified personal property).

### **Prize Limitations**

The value of prizes is the retail (purchase) price of the item(s) given as the prize when the prize is not money. This applies regardless of whether the prize is purchased or donated for the event. If the prize given is money, then the value of the prize is the sum of money regardless of any losses by the player.

- There are no prize limitations on water raffle drawings conducted at a water raffle event.

### **Information About the License**

- The drawing must be held at the address shown on the water raffle license.
- The initial fee for a water raffle is \$25. The fee for each subsequent water raffle license will be based on the gross receipts from the previous water raffle.
- There are no prize limitations on water raffle drawings.
- This license does not allow for the sale of pull-tabs, punchboards, tip boards, or conducting door prize drawings.
- Having a water raffle license will prohibit an organization from having another charity gaming license and conducting other gaming events at the same location on the same day.

### **Calendar Raffles**

A calendar raffle license is needed when organizations hold daily or weekly

drawings as fundraising events.

■ Daily/weekly raffle drawings

This means you may conduct daily/weekly raffle drawings within certain limitations. Some of these limitations are explained below. Also, read the section When Events May Be Held on page 43 of this publication.

Organizations may be licensed to conduct a "calendar raffle." This license allows an organization to sell tickets and conduct daily drawings to determine the winner for that day.

An organization must provide a calendar or list of days on which drawings will occur. As with other raffles all drawings must occur within a specified eight hour period. The license application (Form CG-3) must be submitted to the Department at least eight weeks prior to the first drawing date.

### **Prize Limitations**

The value of prizes is the retail (purchase) price of the item(s) given as the prize when the prize is not money. This applies regardless of whether the prize is purchased or donated for the event. If the prize given is money, then the value of the prize is the sum of money regardless of any losses by the player.

- There are no prize limitations on calendar raffle drawings conducted at a calendar raffle event.

### **Information About the License**

- The drawing must be held at the address shown on the calendar raffle license.
- The initial fee for a calendar raffle license is \$25. The fee for each subsequent calendar raffle license will be based on the gross receipts from the previous calendar raffle.
- There are no prize limitations on calendar raffle drawings.
- This license does not allow for the sale of pull-tabs, punchboards or tip boards or for conducting door prize drawings.
- Having a calendar raffle license will not prohibit an organization from having another charity gaming license and conducting other gaming events at the same location on the same day.

## **Annual Door Prize**

An annual door prize license is needed when organizations hold multiple door prize drawings as fundraising events.

An annual door prize license allows the following games to be played:

■ Door prize drawings

This means you may conduct door prize drawings within certain limitations.

Some of these limitations are explained below. Also, read the section When Events May Be Held on page 43 of this publication.

Organizations may be licensed to conduct an "annual door prize". This license allows an organization to conduct multiple drawings to determine the winners, based solely on attendance.

An organization must provide a calendar or list of days on which drawings will occur. As with other charity gaming events, all drawings must occur within a specified eight hour period.

The license application (Form CG-3) must be completed and submitted to the Department at least eight weeks prior to the first drawing date.

### **Prize Limitations**

The value of prizes is the retail (purchase) price of the item(s) given as the prize when the prize is not money. This applies regardless of whether the prize is purchased or donated for the event. If the prize given is money, then the value of the prize is the sum of money regardless of any losses by the player.

- There are no prize limitations on annual door prize drawings.

### **Information About the License**

- The drawing must be held at the address shown on the annual door prize license.
- The initial fee for an annual door prize license is \$25. The fee for each subsequent annual door prize license will be based on the gross receipts from the previous annual door prize license.
- There are no prize limitations on annual door prize drawings.
- The license does not allow for the sale of pull-tabs, punchboards, or tip boards or for conducting door prize drawings.
- Having an annual door prize license will not prohibit an organization from having another charity gaming license and conducting other gaming events at the same location on the same day. See special permission previously listed.

## **Door Prize License**

A door prize license may be needed when organizations give away door prizes at a fund-raising event.

A door prize is a prize awarded to a person based solely upon the person's attendance at an event or the purchase of a ticket to attend an event. A door prize cannot be awarded based on the placing of a wager. Also, no organization may award a door prize when the award of the door prize is determined (in whole or in part) on a sporting event.

A door prize license allows the following games to be played:

- Door prize drawings
- The sale of pull-tabs, punchboards and tip boards

This means you may conduct door prize drawings within certain limitations. Some of these limitations are listed below. Also, read the section When Events May Be Held on page 43 of this publication.

A door prize license may not be required if the value of the prizes awarded at each event is not more than \$1,000, and not more than \$3,000 is awarded during the calendar year for all non-licensed gaming events. (See When No License Is Required on page 11 for further details).

### **Prize Limitations**

The value of prizes is the retail (purchase) price of the item(s) given as the prize when the prize is not money. This applies regardless of whether the prize is purchased or donated for the event. If the prize given is money, then the value of the prize is the sum of money regardless of any losses by the player.

- The total value of all door prizes at a door prize event may not be more than \$5,000.
- By getting special permission from the Department you may conduct one door prize event each year where the total value of the prizes may not be more than \$20,000. (See Special Permission on page 34).
- The selling price of one ticket for a pull-tab, punchboard, or tip board may not be more than \$1.00.
- A single prize awarded for one winning ticket in a pull-tab, punchboard, or tip board game may not be more than \$599.
- The total prizes awarded for one pull-tab, punchboard, or tip board game may not be more than \$5,000.

### **Information About the License**

- The drawing must be held at the address shown on the door prize license.
- The initial fee for a door prize license is \$25. The fee for each subsequent door prize license will be based on the gross receipts from the previous door prize license.
- There are prize limitations on door prize drawings. See prize limitations previously listed.
- The license does allow for the sale of pull-tabs, punchboards, or tip boards or for conducting door prize drawings.
- Having a door prize license will prohibit an organization from having another charity gaming license and conducting other gaming events at the same location on the same day. See special permission previously listed.

**Using the License**

This license is available to organizations who want to promote attendance at an event by having door prize games.

**Question:** *My organization has an ice cream social every summer. The entrance ticket stub is torn in half and is put in a jar. At the end of the evening a ticket is drawn to win a color television worth \$1,500. Do we need this license?*

**Answer:** Yes. You need a license when prizes worth more than \$1,000 are awarded.

**Question:** *My organization sponsors a concert in the park. The person who has a program with a star on it receives free tickets to the next basketball game. Do we need this license?*

**Answer:** Probably not. No license will be required if you have a valid Form CG-1 on file, the value of the tickets is not more than \$1,000 (and you haven't reached the \$3,000 total prize amount for the year) and you file Form CG-AEL with the Department at least four weeks before the event (see How to Register for Nonlicensed Events on page 12).

**Limitations on When You Can Conduct These Events**

Because a Door Prize License is valid for a specific date and location, you must apply for a separate license for each door prize event you wish to hold. (See License Fees on page 36). Not more than one qualified organization may conduct an allowable event on the same day at the same location. In other words, you may not combine efforts with another organization and share the profits of a single door prize event.

**Festival License**

This license permits one organization to conduct a variety of charity gaming events for up to four consecutive days (see the ***Exception*** on page 32).

A festival license allows the following games to be played:

- Bingo games
- Charity Game Night events
- One raffle drawing event
- Door prize drawings
- Sales of pull-tabs, punchboards and tip boards

This means you may conduct bingo games, charity game night games, and door prize drawings within certain limitations. Also, on one of the four days you will be permitted to hold raffle drawings within certain limitations. Some limitations for these gaming events are explained below. Also, read When Events May Be Held on page 43 of this publication.

**Prize Limitations**

The value of prizes is the retail (purchase) price of the item(s) given as the prize when the prize is not money. This applies regardless of whether the prize is purchased or donated for the event. If the prize given is money, then the value of the prize is the sum of money regardless of any losses by the player.

- The prize for any one bingo game may not be more than \$1,000.
- The total prizes for one bingo event may not be more than \$6,000.
- By getting special permission from the Department you may conduct two bingo events a calendar year where the total prizes for the bingo event may not be more than \$10,000. (See Special Permission on page 34).
- There is no prize limitation for the raffle drawings held at a festival event.
- The total prizes for door prize events may not be more than \$5,000.
- By getting special permission from the Department, you may conduct one door prize event each year where the total prizes may not be more than \$20,000. (See Special Permission on page 34).
- The selling price for one ticket for a pull-tab, punchboard, or tip board may not be more than \$1.00.
- A single prize awarded for one winning ticket in a pull-tab, punchboard, or tip board game may not be more than \$599.
- The total prizes awarded for one pull-tab, punchboard, or tip board game may not be more than \$5,000.

**Information About the License**

- The festival must be held at the address shown on the festival license.
- The initial fee for a festival license is \$25. The fee for each subsequent festival license will be based on the gross receipts from the previous festival.
- There are prize limitations on a festival. See prize limitations previously listed.
- The license does allow for the sale of pull-tabs, punchboards, or tip boards, for conducting door prize drawings, bingo games, charity game night events, and one raffle drawing.
- Having a festival license will prohibit an organization from having another charity gaming license and conducting other gaming events at the same location on the same day. See special permission previously listed.

**Using the License**

The term “festival” can be used to describe many different types of events. It may mean a community “festival,” where many organizations set up booths, sell food, have carnival rides, conduct raffles, etc. at the same time. Another

common meaning of the word “festival” is one organization selling craft items, bake sales, etc.

The meaning of the term “festival” for charity gaming purposes is somewhat different. The only time you will need a festival license is when your organization is conducting multiple gaming events.

The examples below will help clarify the use of this license.

**Question:** *My organization participates in a community “festival” one day every year. We raffle off three prizes worth \$1,400 and sell food at the festival while other organizations conduct separate events. Do I need this license?*

**Answer:** No. Your organization should instead get a raffle license as this is the only charity gaming event you are conducting at the “festival.”

**Question:** *My organization participates in a community “festival.” We raffle off several prizes and hold bingo games for three consecutive days. Do I need this license?*

**Answer:** Yes. Your organization wants to conduct more than one event for more than one day. A festival license is the only license that will allow you to do this.

**Question:** *My organization sells food at the community “festival.” Do I need this license?*

**Answer:** No. You will not need a charity gaming license since your organization is not conducting any type of gaming event.

**Question:** *My organization has already conducted one charity game night this year and is considering conducting a festival. How many days may I conduct the festival?*

**Answer:** Up to three days. You may use four days a year (January 1 through December 31) to conduct **both** your charity game night events **and** your festival. Therefore, if you use three days for your festival, you cannot conduct any further charity game nights for the rest of the year. (A one-day charity game night + a three-day festival = four days for the year.) If you would like to have more charity game nights this year, conduct your festival for zero, one or two days.

### **Limitations on When you can Conduct these Events**

You may conduct only one festival event a year that may be held for up to four consecutive days (see the **Exception** on the next page). The number of days you may conduct your festival depends both on the number of charity events you plan to hold throughout the year (January 1 through December 31) and whether you are using your own facility, or using a rented or donated facility<sup>4</sup>.

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<sup>4</sup> See **Facility Use Rules** on page 41 if you are holding your festival in a rented or donated facility.



You are limited to using no more than four days a year for both your charity game night events and festival events. Each day listed on your festival license (despite the types of games you play) is subtracted from the four days allotted to charity game nights.

Example: 1 Charity Game Night  
+ 3 Day Festival  
4 Day Total

Example: 0 Charity Game Night  
+ 4 Day Festival  
4 Day Total

**Exception:** A bona fide civic organization (as defined on page 5) is allowed to hold *one* additional charity gaming event (a charity game night or festival event) during *each* six months of a calendar year. This exception means that if four charity game night events or one festival event have been used during the first six months, a civic organization can hold one additional charity game night or one additional festival event in each of the six months of the calendar year.

**Question:** *My civic organization has a festival license for August 28, 29, 30 and 31. Can my additional gaming event be a four-day festival beginning on September 1?*

**Answer:** No, because of licensing time constraints. The financial statement from the festival that ended August 31 has to be attached to your next festival license application. Since the Department needs to receive a license application at least eight weeks before the scheduled event, you should not try to schedule another festival event until the end of October.

**Question:** *My civic organization held a four-day festival in January. How many more can we hold during the year?*

**Answer:** You can hold up to two more festival events, one before July 1 (during the first six months of the year) and one on or after July 1 (during the second six months of the year). Note: You may choose to get an additional charity game night license during each six month period instead of getting a festival license. Be sure to read Limitations on When You Can Conduct These Events under Charity Game Night License on page 21.

Not more than one qualified organization may conduct an allowable event on the same day at the same location. In other words, you may not combine efforts with another organization and share the profits of a single festival event.



***Pull-Tabs, Punchboards, and Tip Boards:  
Licensing Requirements and Definitions***

Two different circumstances allow your organization to sell pull-tabs, punchboards, and tip boards:

- 1) You may sell these items at a licensed event (e.g., annual bingo, special bingo, charity game night, raffle [but not calendar or water raffle], door prize [not annual door prize], or festival).
- 2) If you hold an annual bingo license, you may sell these items at any time on the premises regularly used by the organization. For example, a lodge has a bingo license and conducts bingo three days a week. You may sell pull-tabs, punchboards, and tip boards at the lodge any time the lodge is open.

**"Pull-tab"** means a game conducted in the following manner:

- 1) A single folded or banded ticket or a two-ply card with perforated break-open tabs is bought by a player.
- 2) The face of each card is initially covered or otherwise hidden from view, concealing a number, letter, symbol, or set of letters or symbols.
- 3) In each set of tickets or cards, a designated number of tickets or cards have been randomly designated in advance as winners.
- 4) Winners or potential winners, if the game includes the use of a seal, are determined by revealing the faces of tickets or cards. The player may be required to sign the player's name on numbered lines provided, if a seal is used.
- 5) The player with a winning pull-tab ticket or numbered line receives the prize stated on the flare from the qualified organization.
- 6) A serial number must be printed on each item manufactured and sold.
- 7) A pull-tab may not be electronically generated.

**"Deal"** means each separate package, or series of packages, consisting of one game of pull-tabs or tip boards with the same serial number.

**"Dispensing device"** means a mechanical or electromechanical device with one or more stacking columns that dispense a pull-tab only after a player inserts an appropriate amount of coin or currency. This does not include any device that electronically generates a pull-tab.

**"Flare"** means the card enclosed with each deal of pull-tabs that has the following information:

- 1) The name of the game.
- 2) The manufacturer's name or distinctive logo.
- 3) The game form number.
- 4) The prize structure for the game, which includes the number of winning pull-tabs by denomination and their respective winning symbol or symbols or

number or numbers combination.

- 5) The cost per ticket.
- 6) The serial number of the game.
- 7) The winning number or symbol for at least the top three winning tiers set out in a manner that each prize may be marked off as the prize is won and awarded.

**Note:** This requirement does not apply to games that include the use of a seal card.

In addition to the other requirements detailed in this publication, all pull-tabs manufactured or distributed for sale in Indiana must meet the "Standards on Pull-Tabs" adopted by the North American Gaming Regulators Association on October 12, 1991, as amended on October 20, 1998, which is incorporated by reference. Copies are available from the North American Gaming Regulators Association, 1000 Westgate Dr., Suite 252, St. Paul, MN 55114 or on the Internet at: [www.nagra.org](http://www.nagra.org).

**"Seal card"** means a board or placard used with pull-tabs that contains a seal or seals, which, when removed or opened, reveal predesignated winning numbers, letters, symbols, or monetary denominations. The seal card serves as the game flare and must contain the information that is listed under "Flare" above unless the manufacturer provides an additional flare containing the required information. A seal card may not be electronically generated.

**"Punchboard"** means a card or board that contains a grid or section that hides the random opportunity to win a prize based on the results of punching a single hole to reveal a symbol or prize amount. A serial number consisting of at least five characters must be printed on each item manufactured and sold. A punchboard may not be electronically generated.

**"Tip board"** means a board, placard, or other device containing a seal that:

- 1) conceals the winning number or symbol; and
- 2) serves as the game flare for a tip board game.

**"Tip board ticket"** is a single folded or banded ticket, or multi-ply card, the face of which is initially covered or otherwise hidden from view to conceal a number, symbol, or set of symbols, some of which have been designated in advance and at random as prize winners. A tip board ticket may not be electronically generated.

### ***Special Permission***

You are allowed to increase certain prize limitations at a licensed event with special permission from the Department. The frequency of these requests, plus the dollar amounts available, are listed under each type of license described earlier in this publication.

There is a box on page 3 of each Form CG-3, license application (except Forms CG-2 and CG-2R, Annual Bingo License Applications) that you must check off to ask for this privilege.

If you currently have an annual bingo license and want special permission to increase certain prize limitations for one of your regularly scheduled days, you must send us a letter at least four weeks before your licensed event. This letter should tell us what you are requesting and the exact date and time of your gaming event. The Department will send you a letter or certificate stating that the special permission has been authorized. This letter *must* be posted at the event to verify that your increased prize limitations were approved by the Department.

**Question:** *My organization has an annual bingo license that allows us to play bingo every Monday and Saturday. We want special permission to give away prizes totaling \$10,000 on the first Monday of the month two months from now. What do we do?*

**Answer:** Just send us a letter at least four weeks ahead of time letting us know the exact Monday date and that you want the special permission.

### ***Multiple Licenses***

Organizations may want to conduct several different types of charity gaming activities in the same week (i.e., annual bingo events plus single day events such as a charity game night, a raffle, etc.). The general rule is that an organization cannot hold more than one charity gaming event on the same day.

There are two exceptions to this general rule, and they are both concerning raffle licenses:

- 1) On the raffle license application you may request special permission from the Department to conduct a raffle event once a year at one licensed bingo event and at one licensed charity game night event. The raffle drawing must be held during the regular gaming hours established on the bingo event or charity game night event license.

The prize limitation on the raffle drawings when held at either a bingo or charity game night event is \$5,000. This prize limitation may be increased up to \$25,000 one time a year with authorized special permission from the Department; and

- 2) Having a calendar raffle or annual door prize license will not prohibit an organization from having another charity gaming license or conducting other gaming events at the same location on the same day.

There are rules about when games may be held during the week. This will affect the number of multiple licenses that you will be allowed to have. (See When Events May Be Held on page 43 for further details).

### ***License Fees***

All license fees are established by Indiana statute.

The fee for the first license in any license category is \$25.

Subsequent license *fees are based on the gross receipts* from the previous event for which the same type of license was held. Note: Prize payouts *are not* to be deducted when figuring the gross receipts on which the license fees are based.

These receipts include:

- 1) The income from all gaming activities held at the event including the sale of pull-tabs, punchboards, and tip boards, and
- 2) The sale of tangible personal property specifically sold at the gaming event.

Example: The qualified organization sells key chains, hot dogs, and drinks in the same area as the event being held. This income would be considered part of the gross receipts for the allowable event.

For the annual bingo license (which is valid for an entire year), any subsequent license fee will be based on the amount of gross receipts for the entire year.

These receipts include:

- 1) The income from all bingo games and the sale of pull-tabs, punchboards, and tip boards sold throughout the year, and
- 2) Items specifically sold at bingo events.

Example: The lodge conducts three bingo games a week and sells pull-tabs, punchboards, and tip boards seven days a week at the location listed on the annual bingo license. Because the annual bingo license allows pull-tabs, punchboards, and tip boards to be sold at any time at that location, these receipts are considered to be part of the gross receipts for the bingo license renewal fee.

**Note:** If an organization does not renew its annual bingo license, but an auxiliary or affiliated group applies for a license, the application will be considered a renewal and subject to the fees from the chart.

The chart below shows the fees for license *renewals*.

License Renewal Fee Chart		
If gross gaming receipts are:		
More than:	But less than:	Your license fee is:
\$ 0	\$ 15,000	\$ 25
\$ 15,000	\$ 25,000	\$ 75
\$ 25,000	\$ 50,000	\$ 200
\$ 50,000	\$ 75,000	\$ 350
\$ 75,000	\$ 100,000	\$ 600
\$ 100,000	\$ 150,000	\$ 900
\$ 150,000	\$ 200,000	\$ 1,200
\$ 200,000	\$ 250,000	\$ 1,500
\$ 250,000	\$ 300,000	\$ 1,800
\$ 300,000	\$ 400,000	\$ 2,500
\$ 400,000	\$ 500,000	\$ 3,250
\$ 500,000	\$ 750,000	\$ 5,000
\$ 750,000	\$ 1,000,000	\$ 6,750
\$ 1,000,000	\$ 1,250,000	\$ 8,500
\$ 1,250,000	\$ 1,500,000	\$ 10,000
\$ 1,500,000	\$ 1,750,000	\$ 12,000
\$ 1,750,000	\$ 2,000,000	\$ 14,000
\$ 2,000,000	\$ 2,250,000	\$ 16,250
\$ 2,250,000	\$ 2,500,000	\$ 18,500
\$ 2,500,000	\$ 3,000,000	\$ 22,500
\$ 3,000,000	-----	\$ 25,000

## About The Games

### *Information About Operators and Workers, Members, Auxiliary Members, and Affiliates*

#### **Operators**

Operators are the people in authority on the premises of an allowable charity gaming event. They are responsible for supervising and directing other people working at the event, and are responsible for making the required financial reports of the event.

Operators include:

- A bartender (licensed with the Alcohol and Tobacco Commission), if the bartender sells only pull-tabs, tip boards, or punchboards;
- Any person who accounts for money received at the charity gaming event;
- Any person who keeps records of the charity gaming event; and
- Any person who announces the letter-number combination at a bingo event.

Your organization's operators:

- Must be at least 18 years of age;
- Must have been members in good standing of your organization for at least one full year. There is **one** exception to this rule: your operator may be a member (for at least one year) of an auxiliary unit or an affiliated group of your organization **if** those groups are not licensed to conduct gaming activities. See **Member of an Organization** and **Auxiliary Member** on page 40, and the definition for **Affiliate** on page 7;
- May not receive any compensation (payment or tips) directly or indirectly for operating your charity games;
- Must not be an operator of a gaming event for any other organization within 30 days of the event they are operating for you.
- Must not have been convicted of a felony within the preceding 10 years;
- May not participate in the games in any manner on the same day they are managing them. For instance, they cannot watch someone's bingo cards while they step out for a few minutes. Also, they cannot play bingo or buy pull-tabs, punchboards, or tip boards on the same day that they work at a bingo event (i.e., on breaks or before or after work);

and

- May not be an employee of the Department or a relative living in the same household with an employee of the Department.

Your organization must keep complete membership records available, in case the Department asks for verification of your operator's or worker's membership status.

Any person or organization outside your membership who enters into a verbal or written contract to manage your charity games operation commits a Class D felony.

### **Workers**

A worker is an individual who helps or participates in any manner in preparing for, conducting, helping conduct, cleaning up afterwards, or taking any other action in connection with an allowable charity gaming event.

Your organization's workers:

- Must be at least 18 years of age *unless* they are selling raffle tickets (where there is no age limit);
- Must have been members in good standing of your organization's auxiliary group for at least thirty (30) days before the event. See **Member of an Organization** and **Auxiliary Member** definition on page 40;
- May not receive any compensation (payment or tips) directly or indirectly for working at your charity games;
- Must not have been convicted of a felony within the preceding ten (10) years;
- May not participate in any manner in the games on the same day where they are working. For instance, they cannot watch someone's bingo cards while they step out for a few minutes. Also, they cannot play bingo or buy pull-tabs, punchboards, or tip boards on the same day that they work at a bingo event (i.e., on breaks or before or after work); and
- May not be employees of the Department or relatives living in the same household with an employee of the Department.

Your organization must keep complete membership records available, in case the Department asks for verification of your operator's or worker's membership status.

### **Compensation for Operators and Workers**

An operator or a worker may not receive any compensation for conducting or

assisting with any allowable event. This means people in charge of and/or assisting with your charity gaming event may not receive tips, goods (e.g., free bingo cards or pull-tabs, clothing, jewelry, reduced tuition, etc.) or payment of any kind for their services. These services can also include cleaning up after gaming events or taking any other action in connection with an allowable event.

However, the organization may give them meals during the event (soft drinks, sandwiches, pizza, etc.) and recognition dinners and social events if the value of the meals and social events would not be considered a significant inducement to participate in the event.

### **Member of an Organization**

A member is an individual who is qualified for membership in an organization according to its bylaws, articles of incorporation, charter, or rules.

### **Auxiliary Member**

An auxiliary member may also be considered a "member" of an organization for the conduct of an allowable event.

## ***Children Under 18 and Gaming***

Generally, an organization may not permit a person under eighteen (18) years of age to play or participate (work) in an allowable event. The *only* exception is when the event is a raffle. A child under age 18 is allowed to *sell* (but not purchase) raffle tickets and calendars for a calendar raffle.

However, a person under age 18 may play or participate (work) in nongambling activities (such as ring toss, fishing, ball throws, etc.) associated with an allowable event. For example, a child would be allowed to sell tickets for a ring toss game or sell chili at a festival.

## ***Security: Law Enforcement Officers, Private Detectives and Members***

Qualified organizations may and are encouraged to employ Indiana law enforcement officers or private detectives who are properly licensed in Indiana to perform security services during an allowable event.

A **member** of your organization who is not a law enforcement officer or private detective may work security at an allowable event without pay.

**Question:** *My neighbor works part-time as a security guard at the local mall. May I hire him to work security at our bingo?*

**Answer:** It depends. Your neighbor may work security at your bingo without payment if he is a member of your organization. However, you may hire (pay) your neighbor if he is a law enforcement officer.



### ***Where Events May Be Held***

#### **Event Location**

The allowable event must be held in the county where the principal office of the qualified organization is located (see the ***Exception*** below).

- 1) For a corporation, the principal office is located at the street address of the corporation as shown on the registration form filed with the Indiana Secretary of State.
- 2) For other organizations, the principal office is located at the street address of the organization on file with the IRS, the Indiana Department of Revenue, or the county board of review for tax exempt purposes. If your organization has addresses in more than one county listed with these agencies, contact the Department at (317) 232-4646 for clarification.
- 3) For a qualified organization that is affiliated with a parent organization that is organized in Indiana and has been in existence for at least five years, the principal office is determined by the principal place of business of the qualified organization.
- 4) For a qualified organization that is affiliated with a parent organization that is a nationally chartered charitable organization, serves more than 47 counties in Indiana and has been in existence for at least twenty-five years, the principal office will be deemed to be present in every county served by the organization. Note: an organization falling under this category cannot conduct gaming events in multiple counties at the same time.

***Exception:*** A qualified organization or its affiliate will be allowed to hold a gaming event *once* a year at the convention or other annual meeting of its membership in *any* Indiana county. If you plan on holding a gaming event at a meeting of your organization's membership, and this meeting is to be held in a county other than where your principal office is located, then you *must* attach a letter to your license application informing us that this is the case. Include a copy of the convention brochure, registration forms, convention agenda, hosting hotel's lease and catering agreements, etc., with your license application.

The allowable event must be held at a location that has a street address and mailing address (not a post office box).

#### **Facility Use Rules**

Charitable gaming events may be held in Indiana facilities that:

- You own, or
- You rent (lease), or
- Are donated to you

A facility that is owned, rented or donated may be used for up to three days, two of which may be consecutive, during a calendar week for charity gaming purposes. For example, bingo games could be held on Monday, Friday and Saturday of the same week in the same facility.

A facility may be rented or donated for up to three days a week for charity gaming purposes. For example, you own a hall that you rent to others for wedding receptions, dinners, etc. You may also rent this hall to qualified organizations for up to three days a week for their charity gaming purposes.

Finally, a facility that is owned may be used for gaming purposes by the organization that owns it and may be rented out (or donated) if it is done within the above requirements. For example, the men's organization owns their facility. The men can hold bingo two days a week and donate their facility to their women's auxiliary organization one day a week for them to hold bingo. (An organization cannot lease or donate its facility to another organization if this would result in more than three events being held at their facility during a calendar week.)

**Exception:** Special facility use rules apply when conducting festivals.

- You may hold a festival at the facility you own for up to four consecutive days regardless of whether the festival is held within one week (Sunday through Saturday), or if it spans two weeks, such as Thursday, Friday and Saturday of one week and Sunday of the next week.
- A facility may be rented for no more than three days during a week. Therefore, a four-day festival event held at a rented facility must span two weeks (e.g., Thursday, Friday and Saturday of one week and Sunday of the next week). Note: An organization using a rented facility will be allowed to use a fourth consecutive day during the same week if the facility is donated for their use for one or more days during that week.

**Question:** *My organization wants to hold a festival on Wednesday, Thursday, Friday and Saturday of the same week at a rented facility. May we do this?*

**Answer:** The only way you'll be able to accomplish this is if the facility owner donates use of the facility to you for one of those days. If donated, make sure a notarized statement from the donor that the facility is being offered rent-free is attached when filing Form CG-3, Single Event License Application.

### **Leased/Donated Facilities**

Organizations who lease/rent a facility for gaming purposes must attach a copy of the lease to the license application. Despite the type of lease agreement you may have, no organization may pay a total of more than \$200 per day to lease a facility for charitable gaming purpose. (See the **Exception** on the next page). The \$200 total includes all amounts associated with the facility, and paid to the lessor such as rent, expenses for set up and tear-down, utilities, insurance, etc.

The lease amount may not be based on any part of the revenue generated from the event.

For example, your organization pays on the rented facility:

\$ 160 per day for rent  
35 per day for utilities  
+3 per day for city trash pickup  
\$ 198 total amount paid per day

In the above example the organization kept all expenses associated with renting/leasing a facility under \$200.

Organizations who lease/rent a facility for gaming purposes *must* attach a copy of the lease agreement to the license application. Likewise, organizations who use a donated facility for gaming purposes must attach a notarized statement from the donor concerning the property being donated. This statement should include the name of the donor, the address of the facility being donated, the fact that the organization is not being charged a fee, etc.

***Exception:*** Once a year a qualified organization may rent a facility for more than \$200 a day. This is allowed *only* if the qualified organization or its affiliate is holding an allowable event at an annual convention or other yearly meeting of its membership. If your organization plans to take advantage of this exception, you will need to check the appropriate box on Line 7 of the license application.

#### **Personal Property Rental Limitation**

There is a \$50 per day limitation on the rental of tangible personal property that might be used by your organization to conduct a gaming event. This includes the rental of tables, chairs, and related equipment owned or leased by the facility. The rental of tangible personal property cannot be based on the revenue generated by the event. For a festival event, the \$50 limitation only applies to the rental of gambling related equipment and supplies.

#### **Qualified Personal Property Rental Limitation**

There is no limitation on the amount an organization can pay for the rental of qualified personal property to be utilized on a body of water.

### ***When Events May Be Held***

Organizations are limited to the total number of gaming events they may hold each week (Sunday through Saturday). Generally, gaming events may be held for up to a total of three days a week (of which two may be consecutive).

**Note:** Calendar raffle drawings or annual door prize drawings are not an "event" for limitation purposes, and will not reduce the number of events your organization can hold each week.

Allowable events may not be held on more than two consecutive days a week (Sunday through Saturday). For example, you could hold bingo games on Monday and Tuesday and a charity game night on Saturday of the same week. The exception would be if you held a festival license, which allows gaming activities up to four consecutive days (e.g., Monday through Thursday of the same week).

Your organization is limited to holding only one allowable event each day (unless otherwise authorized by the Department). For example, if you hold bingo from 10 a.m. to 2 p.m. on Monday, then you can't have a charity game night later that evening. Also, only one organization can conduct an event on the same day at the same location.

A gaming event can be held for up to eight consecutive hours (except for a festival, which can run longer). There also has to be at least a six-hour break between licensed events. For example, you can hold a bingo game on Saturday from 8 p.m. to 2 a.m. and hold another bingo game on Sunday after 8 a.m.

### **Multiple Gaming Events:**

#### **Cutting Back your Regular Gaming Days**

Your organization must plan its multiple gaming events around the three-day limitation that applies to all organizations (except for a calendar raffle license or an annual door prize, which has no such limitation and no bearing on the three-day limitation rule). For instance, your organization has an annual bingo license for Mondays, Wednesdays and Fridays of each week. If your organization wants to hold a charity game night on a Saturday, you must “drop” one of the three bingo days during that week so that you won't go over the three-day weekly limit. A statement telling us which day your organization won't be holding bingo must be sent along with the charity game night license application before that license can be issued.

**Question:** *We are licensed to play bingo three nights a week. We want a festival license for Thursday, Friday, Saturday and Sunday. Will this affect the number of nights we can play bingo?*

**Answer:** Yes. A week runs from Sunday through Saturday. You are limited to three gaming events each week (exception: once a year you may have a four-day festival). Since you are having a festival event three days of the first week, you must drop your three bingo days that week. You'll have to drop one of your bingo days the second week since you're having a festival event on Sunday of that week.

### ***Gaming Material Purchases***

The laws concerning charity games also include legislation for regulating charity gaming materials.

**"Licensed supply" refers to any of the following:" (IC 4-32-6-16.4)**

- (1) Bingo cards;
- (2) Bingo boards;
- (3) Bingo sheets;
- (4) Bingo pads;
- (5) Any other supplies, devices, or equipment designed to be used in playing bingo designated by rule of the department;
- (6) Pull tabs;
- (7) Punchboards;
- (8) Tip boards.

### ***Publicity Before and During the Games***

#### **Before the Games**

A qualified organization *must* have a valid license before it can advertise. Any printed advertisement, such as newspapers, flyers, billboards, yard signs, marquee, or any other stationary or nonstationary mode of advertisement, *must* contain the name and license number of the organization **in bold print**. An advertisement in broadcast media, such as on the radio, must announce the name of the organization conducting the event and that the organization's license number is on file with the Indiana Department of Revenue. A television advertisement must either show or announce the name and license number of the organization conducting the event. Those organizations holding events less than \$1,000 must advertise that an approved Form CG-AEL is on file with the Indiana Department of Revenue.

**Note:** Organizations that are conducting an allowable event at an annual convention or other yearly meeting of its (or its affiliates) membership at a leased facility, and are paying more than the \$200 per day rental limitation, may *only* advertise the gaming event directly to its membership.

#### **During the Games**

The following items must be prominently displayed at your charitable gaming events:

- Your license, or a legible photocopy, must be displayed at each gaming event along with any letter from the Department giving your organization special permission to increase prize limitations;
- You must display a legible sign (of an adequate dimension) at your gaming event giving the name of your organization, your event license number, and the expiration date of the license;
- You must post a sign (of an adequate dimension) stating 'TIPPING IS NOT ALLOWED';
- It is the Department's policy that adequate dimension means legible from any seat in a bingo hall or other facility where a gaming is held.

- If you are conducting a non-licensed event, you must display a validated copy of Form CG-AEL, Application for Exemption Letter for Nonlicensed Event.

## ***What the Department Needs from You***

### ***Record Keeping Requirements***

You are required to keep a separate ledger for your charitable gaming activities. This ledger must be used to record all proceeds from a gaming event and related activities as well as record all expenses incurred for that event.

You are required to deposit funds received from a charity gaming event into a separate and segregated account set up for that purpose. All expenses of an organization with respect to an allowable event must be paid from this account.

The Department requires a financial reporting of charitable gaming activities. You must separately list the amounts you receive from each type of gaming activity conducted at the allowable event.

For example, a local church had gross receipts of \$10,000 from a festival event. They would report to us the following breakdown:

\$5,000 .....	Bingo
\$3,000 .....	Pull-Tabs
\$2,000 .....	Raffles

You must also keep a detailed record of the expenses incurred for these gaming events. Some types of expenses include a breakdown of the prizes awarded for each type of activity. In the previous example the prizes awarded were:

Bingo.....	\$1,000 Prize Money
Pull-Tabs...	\$ 500 Prize Money
Raffle.....	\$ 500 TV (fair market value)

There are six types of financial forms that relate to charity gaming activities:

1) Annual Bingo License Financial Report (Form CG-8) - Must be filed with the Department by organizations holding an annual bingo license. This report must be filed by the 10th day of the month in which your license expires. The financial report must show all income and expenses related to your annual bingo license, as well as an ending inventory statement of remaining pull-tabs, punchboards and tip boards. The report must also have attached Schedule CG-DIST, upon which a detailed listing must be made of all the amounts distributed for charitable purposes.

2) Single Event Financial Report (Form CG-9)- Must be filed with the Department by organizations holding any single event license (raffle licenses, special bingo license, door prize licenses, charity game night license, or a festival license). This report must be filed within 10 days after the single event has been conducted and must show all income and expenses related to this event. The report must also contain a detailed listing of all the amounts distributed for charitable purposes and the names of the organizations to whom these distributions were made.

You must keep copies of these financial reports for your records. You will use the gross receipts calculated on these forms to figure the license renewal fees for future licenses. For more information regarding accounting procedures, please request the Indiana Annual Bingo License Financial Report, Form CG-8 or the Indiana Charity Games Single Event Financial Report, Form CG-9.

3) and 4) Gross Receipts Reports (Forms CG-21 and CG-22) - Organizations conducting licensed charity gaming activities must complete a gross receipts report. If more than 90 percent of an organization's annual gross revenues (less prize payouts) comes from charity gaming, then the organization is required to donate at least 60 percent of that amount to qualified recipients (see the *General Information* area on Forms CG-21 and/or CG-22 for the definition of qualified recipients). The recipient(s) receiving the donations may not be an affiliate, parent, or a subsidiary of the donating organization. This donation must be in accordance with the lawful purpose of your organization.

There are two different kinds of gross receipts reports:

■ Annual Bingo License Gross Receipts Report (Form CG-21) - Must be filed with Form CG-8 by all organizations who hold an annual bingo license. This report must be filed by the 10th day of the month in which the annual bingo license expires. Gross receipts (less prize payouts) from gaming activities are compared to all gross receipts received by the organization for the license's 12-month accounting period.

A *Charity Gaming Ending Inventory Statement*, Schedule CG-INV, must be attached to Form CG-8. This statement lists the ending inventory of the organization's pull tabs, punchboards, and tip boards as of the last day of the accounting period.

■ Single Event License Gross Receipts Report (Form CG-22) - Must be filed with the Department by organizations who *do not* have an annual bingo license but who do have charity gaming single event licenses. Gross receipts (less prize payouts) from gaming activities are compared to all gross receipts received by the organization from July 1 of one year through June 30 of the next year. This report must be filed by August 15.

5) Charitable Contributions Distribution Listing (Form CG-DIST) - Must be attached to the Gross Receipts Report, Forms CG-21 or CG-22. Contributions made to other organizations and individuals are to be recorded on this



schedule.

6) Charity Gaming Night Summary Report (Form CG-NSR) - Must be completed each time a bingo event is held, and for each day that pull-tabs, punchboards, and tip boards are sold. These reports must be kept with the organization's financial records.

**Important:** Your organization is required to grant to the Department unrestricted access to all of your records, including, but not limited to: your membership information, financial records, and receipts for the purchase of bingo supplies, punchboards, pull-tabs, and tip boards. Lack of records or inadequate record-keeping practices is not a feasible defense during an investigation.

### ***How to Report Withholding to the IRS***

Because prizes are considered income, the Internal Revenue Service (IRS) may require you to file information returns or withhold income taxes before giving the prize to the winner. Filing and withholding requirements for the State of Indiana follow the IRS guidelines. Therefore, you must first contact the IRS at 1-800-829-1040 to determine what your organization should do.

If the IRS requires you to file Form 1099 Misc. (an information return), you should make a copy of this form and send it to the Indiana Department of Revenue, Compliance Division, 100 N. Senate Avenue, Indianapolis, Indiana, 46204-2253. This form must be mailed to us by February 28 of the following year.

If the IRS requires you to withhold federal income tax from the prizes, you will also need to withhold Indiana state income tax. Usually, you will give a copy of Federal Form W-2G to the winners. This form shows them how much federal income tax and Indiana income tax you have withheld.

### ***How Do I Withhold Tax for Indiana?***

Again, if you are required to withhold federal income tax you are also required to withhold Indiana state income tax at the rate of 3.4% (I.C. 4-32-4-1 and 4-32-4-2).

To do this, you must first make sure you have a state withholding account set up in your organization's name. If your organization has employees such as office workers, teachers, etc., then you are probably already registered with us for withholding. Just send any state amounts withheld for gaming purposes along with your next regularly scheduled withholding payment on Form WH-1, Indiana Employer's Withholding Tax Return.

If you do not have a withholding account you will need to file the Indiana Business Tax Application, Form BT-1, or visit the District Office\* nearest you.



All withholding payments are paid on Form WH-1. Payments are reconciled at the end of the year on Form WH-3, Annual Reconciliation of Employer's Withholding Tax Return. Publication WH-13 and Income Tax Information Bulletin #32A will provide helpful information. Contact the Department at (317) 232-2240 for these forms, publications and bulletins.

\* District offices are located in the cities of Bloomington, Clarksville, Columbus, Evansville, Fort Wayne, Indianapolis, Kokomo, Lafayette, Merrillville, Muncie, South Bend and Terre Haute. District office telephone numbers and addresses can be obtained from your local telephone directory or by contacting the Charity Gaming Section at (317) 232-4646.

### ***Sales and Use Tax***

Your organization will not have to pay sales or use tax on the purchase of bingo supplies, which are limited to cards, boards, sheets, and pads, as well as bingo devices, bingo equipment, pull-tabs, punchboards, and tip boards; however, the purchase of pull-tabs, punchboards and tip boards are subject to the 10% gaming excise tax, which is paid to the Department by the distributor.

Also, your organization will not have to collect sales tax when legally selling the above items to the public.

### **30 Day Fund Raising Exemption Rule**

Generally, sales tax is to be collected on the sale of all other tangible personal property.

Qualified nonprofit organizations will be exempted from collecting sales tax from the public if both of the following conditions are met:

- 1) The tangible personal property (such as food, drinks, T-shirts, etc.) is sold at a qualified fund-raising event. These events may include chili suppers, charitable gaming events, ice cream socials, etc., and the proceeds must be used to further the nonprofit purpose of the organization, and
- 2) The fund-raising events must be held on fewer than 31 days during the calendar year.

If the fund-raising events occur on more than 30 days in a calendar year, then sales tax must be paid on all the tangible personal property sold during the entire year. This includes the sales made during the first 30 days for fund-raising events as well as sales from additional fund-raising efforts for the year.

If you conduct more than 30 days of fund-raising events, you need to register as a retail merchant with the Indiana Department of Revenue. To do this, you must complete the Indiana Business Tax Application, Form BT-1. You may mail the application to the Department or visit the nearest District Office for assistance.

### ***Retention of Records***

Your qualified organization must retain its business records according to the following schedule.

The following must be retained for seven years:

- IT-35AR/NP-20
- ST-103
- Nightly game sheets (Schedule CG-NSR)
- Federal Form 990

The following must be retained for three years:

- Seal cards
- Flare cards
- All other documents kept in the regular course of conducting charity gaming events.

### ***Mailing Items to the Department***

Your organization may be required to file items with the Department by certain due dates.

- If a document is mailed through the United States Postal Service (USPS), the date displayed on the post office cancellation mark is considered to be the date on which the document was filed.
- If a document is delivered to the Department in any other manner than by USPS, the Department must stamp the document showing the date the document is received. This date stamped by the Department is considered to be the date on which the document was filed.
- If a document is sent through the USPS by registered mail, certified mail, or certificate of mailing, then such date of registration, certification or certificate shall be considered the date of filing. Such date as authenticated by USPS records shall be conclusive, even in the case of a conflicting postmark date.
- If a document mailed through the United States Postal Service (USPS) is physically received after the due date without a legible postmark, the person who mailed the document may show the document was mailed on or before the due date by reasonable evidence.

Examples of evidence include, but are not limited to:

- 1) Testimony of the person.
- 2) Testimony of disinterested third persons.

- 3) Evidence and/or testimony from a USPS office.
  - 4) Any other evidence which tends to establish the date of filing.
- If a document is mailed to, but never received by the Department, the person sending the document may produce reasonable evidence to show that the document was mailed on or before the due date. Such evidence as used to show the correct postmark date in 45 I.A.C. 18-6-3(c) might also be used to establish the mailing of a document. In addition to showing that the document was deposited in the United States mail on or before the due date, the person must file a duplicate document with the Department within thirty (30) days from the date the Department sends the person notice that the prescribed documents were not received.

### ***Holidays and Weekends***

Any filing due date falling on a state holiday, a national legal holiday, or a Saturday or Sunday, may be filed on the next business day.

## **The Department's Responsibilities and Your Protest Rights**

The Department is required to conduct investigations necessary to ensure the security and integrity of the operation of charity gaming activities. These investigations can be conducted on qualified organizations, applicants for charity gaming licenses, nonprofit organizations conducting charity gaming activities, etc. (I.C. 4-32-13-3) (I.C. 35-45-5)

An organization may be contacted by the Department with information that a decision, intended decision, or other action concerning a license request or termination of an existing license is going to or has occurred. Any organization that has been contacted with this kind of information and wishes to protest must send a written protest to the Department within seventy-two (72) hours after receipt of the notice of decision, intended decision, or other action. (I.C. 4-32-8-1) (Regulation 18-6-3)

Pursuant to I.C. 4-32-8-2, if the Department has contacted an organization with information that their license is going to be revoked, the organization may continue to operate under the provisions of the license until the Department has

made a decision and all administrative appeals have been exhausted

**only if**

- (1) A written protest of that decision is filed within seventy-two (72) hours after receiving the written information that the license will be terminated

**and**

- (2) The Department has not determined that a state of emergency\* exists requiring the immediate termination of the license. The right to continue to operate after an entity is in receipt of the Department's decision, does not exist if the Department's decision indicates it is an emergency revocation.

\* An emergency requiring the immediate termination of a license will be deemed to exist under any of the following circumstances:

- The information provided on the application for license is found to be false or misleading.
- The appropriate fees are not paid.
- An entity other than the qualified organization is conducting the allowable event.
- The qualified organization is exceeding its allowable expenditures with respect to an allowable event.
- The qualified organization is exceeding the number of days that it can conduct an allowable event.
- The organization has conducted an allowable event at the same place and on the same day as another qualified organization.
- Net proceeds are being used for purposes other than the lawful purposes of the organization.
- Accurate reports are not being filed with the Department in a timely manner.
- Receipts and expenditures from an allowable event are not being kept in a separate and segregated account set up for that purpose.
- An allowable event is being held in a county other than where the qualified organization's principal office is located.
- An operator or worker does not meet the requirements of I.C. 4-32.
- Prizes awarded are exceeding the limitations imposed by I.C. 4-32.
- The organization fails or refuses to comply with the record keeping requirement of I.C. 4-32.
- The organization fails or refuses to allow inspection of records kept under I.C. 4-32.
- Any other violation of I.C. 4-32 or this article considered to be of a serious nature by the Department.

**Note:** If a licensee does not file a formal protest of the Department's proposed termination of its license within the 72-hour protest period, then such inaction may be deemed an admission of the alleged violation and the Department may

issue an immediate termination of the license.

### ***Representation of a Qualified Organization Before the Department***

There are no formal qualifications for individuals to represent a qualified organization before the Department. Prior to the Department releasing any information to any person representing a qualified organization or licensee, or otherwise appearing or communicating with the Department on behalf of a qualified organization or licensee, the representative must present a properly executed power of attorney, or, if the person is an attorney at law, then an appearance must be filed. No information will be released to anyone other than an officer or director of the qualified organization, unless a properly executed power of attorney or appearance has been presented. Power of attorney and appearance forms are available from the Department.

Casual conversations with a qualified organization or licensee's representative who does not have an appearance on file are permitted; however, specific information will not be disclosed.

The appearance must contain the following information: the name, address and taxpayer identification number of the qualified organization; the name, address and telephone number of the qualified organization's representative or representatives (a corporation, law firm or accounting firm must name at least one individual as the representative); and any restrictions or limitations placed upon the representative when acting on behalf of the qualified organization. The appearance must be signed by an officer of the qualified organization, or by an individual authorized to execute a power of attorney.

**Note:** The Department may require that the signature be notarized by a notary public if the representative is not a licensed attorney or certified public accountant.

If the qualified organization executes an appearance, the Department will communicate primarily with the organization's representative.

### ***Notice of Assessment***

If the Department believes that a qualified organization or licensee has improperly reported a listed tax liability, the Department may, within the prescribed statute of limitations period, issue to that qualified organization or licensee a formal notice that the Department proposes to assess additional tax. The formal notice must be based on the best information available to the Department. Any written advisement, which informs the qualified organization or licensee of the amount of the proposed assessment for a particular tax period, constitutes a formal notice. A formal notice must be sent through the United States Postal Service.

### ***Protests and Hearings***

An organization has 72 hours from the date that the notice of violation or Department order is received to protest the Department's findings. The calculation of the 72 hour period begins at 8 a.m. the day following the receipt of the Department's notice.

All protests must be in writing and must include the organization's name, taxpayer identification number, address and the basis for objections to the Department's findings.

If you wish to pursue a hearing, then you must send or fax your protest to:

Indiana Department of Revenue  
100 N. Senate Avenue, Room N0248  
P.O. Box 1104  
Indianapolis, IN 46204-2253  
Fax: (317) 233-6489

### ***Penalties for I.C. Title 4, Article 32 "Games of Chance"***

Your license may be suspended\*, revoked\*\*, or fines may be imposed if you do not follow the guidelines of the law. You may be fined up to \$5,000 for each violation. In addition, a civil penalty of \$100 a day may be imposed for each day a penalty is unpaid. A person or organization that violates any charitable gaming provision commits a Class B misdemeanor. Also, the Department may prohibit an operator or an individual who has been found to be in violation of the charity gaming statutes from associating with any qualified organization's charity gaming and may assess a civil penalty against the individual and/or organization. Read the following for more details of the various penalty provisions.

\* "Suspend" means that the qualified organization cannot conduct any gaming events or hold a license for a period of time specified by the Department. The period of suspension begins at the time the organization receives notice from the Department, or when the organization exhausts all administrative remedies, whichever is later.

\*\* "Revoke" means that a qualified organization cannot conduct any gaming events, or hold a license for gaming events. The revocation begins at the time the organization receives notice from the Department, or when the organization exhausts all administrative remedies, whichever is later.

### **Grounds for Penalties**

The Department may suspend or revoke the license of, or levy a civil penalty against, a qualified organization or an individual under this article for any of the

following:

- 1) Violation of a provision of this article or a rule of the Department.
- 2) Failure to accurately account for bingo cards, bingo boards, bingo sheets, bingo pads, pull-tabs, punchboards and/or tip boards.
- 3) Failure to accurately account for sales proceeds from an event or activity licensed or permitted under this article.
- 4) Commission of a fraud, deceit or misrepresentation.
- 5) Conduct prejudicial to public confidence in the Department.\*

**Note:** If a violation is of a continuing nature, the Department may impose a civil penalty upon a licensee or individual for each day the violation continues.

\* "Conduct prejudicial to public confidence in the Department" means conduct that gives the appearance of impropriety, including but not limited to, conducting a gaming event without a license, sports betting, operating a gambling device, using or possessing a computer or other technological aid or any other activity that is illegal under I.C. 35-45-5-1.

#### **Civil Penalties**

The Department may impose the following civil penalties upon a qualified organization or an individual:

- 1) No more than one thousand dollars (\$1,000) for the first violation.
- 2) No more than two thousand five hundred dollars (\$2,500) for the second violation.
- 3) No more than five thousand (\$5,000) dollars for each additional violation.

In addition to the civil penalties mentioned above, the Department may do all or any of the following:

- 1) Suspend or revoke the license.
- 2) Lengthen a period of suspension of the license.
- 3) Prohibit an operator or an individual who has been found to be in violation of this article from associating with charity gaming conducted by a qualified organization.
- 4) Impose an additional civil penalty of not more than one hundred dollars (\$100) for each day the civil penalty goes unpaid.

#### **Criminal Penalties**

Except as indicated below, a person or organization that violates a provision of this article commits a Class B misdemeanor.

**Exception:** A qualified organization may not contract or otherwise enter into an agreement with an individual, a corporation, a partnership, a limited liability company, or other association to conduct an allowable event for the benefit of the organization (I.C. 4-32-9-15). An individual, a corporation, a partnership, a limited liability company, or other association that violates this provision commits a Class D felony.

# Additional Information

## *Public Hearing for Annual Bingo License*

The Department is required to publish a notice when an annual bingo license application has been filed by a first-time applicant. If ten written and signed protests are received by the Department, a public hearing will be held to obtain input on the proposed issuance of the annual bingo license.

The Department will hold a public hearing for the renewal of an annual bingo license if:

- The applicant has been cited for a violation of law or a rule of the Department;

or

- The Department confirms, upon investigation of at least three written and signed complaints, that a violation has occurred, that the organization could be cited by the Department for the violation, and the violation has not been corrected by the organization after notice has been given by the Department.

Whenever the Department is required to hold a public hearing concerning a license issued for charity gaming, the hearing must be held in a geographic region established by the Department. These regions will include the county in which the qualified organization who is seeking or holds a license is located. The Department has designated six geographic regions in which these hearings will be held.



The counties in these regions are listed below.

**Region 1  
Counties**

Benton  
Carroll  
Fountain  
Jasper  
Lake  
LaPorte  
Newton  
Porter  
Pulaski  
Starke  
Tippecanoe  
Warren  
White

**Region 2  
Counties**

Adams  
Allen  
Blackford  
Cass  
DeKalb  
Elkhart  
Fulton  
Grant  
Huntington  
Kosciusko  
LaGrange  
Marshall  
Miami  
Noble  
Steuben  
St. Joseph  
Wabash  
Wells  
Whitley

**Region 3  
Counties**

Dearborn  
Decatur  
Delaware  
Fayette  
Franklin  
Henry  
Jay  
Randolph  
Ripley  
Rush  
Union  
Wayne

**Region 4  
Counties**

Bartholomew  
Brown  
Clark  
Crawford  
Floyd  
Harrison  
Jackson  
Jefferson  
Jennings  
Lawrence  
Monroe  
Ohio  
Orange  
Scott  
Switzerland  
Washington

**Region 5  
Counties**

Clay  
Daviess  
Dubois  
Gibson  
Greene  
Knox  
Martin  
Owen  
Parke  
Perry  
Pike  
Posey  
Putnam  
Spencer  
Sullivan  
Vanderburgh  
Vermillion  
Vigo  
Warrick

**Region 6  
Counties**

Boone  
Clinton  
Hamilton  
Hancock  
Hendricks  
Howard  
Johnson  
Madison  
Marion  
Montgomery  
Morgan  
Shelby  
Tipton

### ***Common Errors That Delay Processing of Charity Gaming Forms***

The following items are the most common reasons why the processing of applications is delayed.

“Missing Requested Information - If all requested information is not received, your application will be returned to you. Make sure that the following information is provided whenever required:

- Indiana Taxpayer Identification Number (TID);
- Retail Merchants Certificate Number (if concessions are being offered);
- Any annual license application forms must be signed by two officers who reside in the same county as that of the organization; and
- When remitting payment by check, make sure the check is signed.

“Incomplete Operator and Worker Information - If all requested information is not completed, your application will be returned to you. It is necessary to have a list of all operators and workers as well as their social security numbers, dates of birth, length of affiliation with the organization, home addresses and telephone numbers.

“Missing Lease/Rental/Donor Information - A copy of your lease or a notarized statement that the facility you are using is donated must be attached to your license application. Without this information processing will be delayed.

“Missing Financial Statement from Previous Event - These statements are due within 10 days following the event (except for annual bingo license financial reports, which are due the 10th day of the month in which the license expires). Your next license request (in any category) cannot be issued until all outstanding financial statements are received.

### ***Enforcement***

The Criminal Investigation Division has the duty and power to enforce the law and official rules of the Department as it relates to charity gaming.

Complaints of violations of the law should be forwarded to:

**Indiana Department of Revenue**  
**Criminal Investigation Division**  
100 N. Senate Avenue  
Room 181  
Indianapolis, IN 46204

### ***Where To Get Help***

It is very important that you understand the provisions of the law, accurately account for all gaming materials and funds, and contact the Department of

Revenue when in doubt.

You can reach us by mail at:

**Indiana Department of Revenue**  
**Charity Gaming Section**  
100 N. Senate Avenue, Room N203  
Indianapolis, IN 46204

or

Visit us in **Room N105** of the Indiana Government Center North building and ask to speak with someone in the Charity Gaming Section; or

Call us at (317) 232-4646; or

Visit [www.in.gov/dor](http://www.in.gov/dor) for more information.

All excise tax forms and correspondence must be mailed to:

Indiana Department of Revenue  
Indiana Gaming Excise Tax  
P.O. Box 2485  
Indianapolis, IN 46206-2485